

HB 705 -- SECURITY DEPOSITS

SPONSOR: Cross

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on General Laws by a vote of 7 to 4. Voted "Do Pass" by the Committee on Rules- Legislative Oversight by a vote of 6 to 3.

This bill repeals provisions of law requiring landlords to keep all security deposits in a trust account and in a depository institution insured by an agency of the federal government, prohibiting the commingling of security deposits with personal funds, and stating that any interest earned on a security deposit belongs to the landlord.

This bill is the same as SB 234 (2017).

PROPONENTS: Supporters say that the language passed last year is ambiguous. They fear that they will be required to hire an attorney and set up a separate trust for each property they rent. Supporters also say that security deposits do not need to be kept separate from other funds. Landlords use security deposit to make improvements to their property, which benefit everyone, including the tenants.

Testifying for the bill were Representative Cross; Marilyn Gaar; Martha Johnson, St. Louis Realtors; William Kempker; Larry Neathery; Thomas Norman; Jessica Schiager; Barrett Upchurch; Steve Vogel; and Michelle Winberry.

OPPONENTS: There was no opposition voiced to the committee.